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100 North Tryon Street  
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Also Admitted in SC

January 16, 2014

**VIA ELECTRONIC FILING**

Ms. Jocelyn G. Boyd  
Chief Clerk and Administrator  
The Public Service Commission of South Carolina  
Synergy Business Park  
101 Executive Center Drive  
Columbia, South Carolina 29210

Re: GCRM-138, Docket No. 2006-401-G

Dear Ms. Boyd:

On behalf of Piedmont Natural Gas Company, Inc. ("Piedmont"), I have enclosed various schedules constituting Piedmont's GCRM-138.

The rate changes reflected in this filing, as shown on the attached schedules, are necessary to update Piedmont's rates to reflect changes in Piedmont's wholesale costs of gas. Wholesale futures contract prices for natural gas deliveries, as reflected on the New York Mercantile Exchange, are currently at levels below the \$4.25 commodity cost of gas reflected in Piedmont's rates.

Based on the differential between Piedmont's existing benchmark cost of gas and the futures wholesale price, as well as the current balance in its deferred gas cost account, Piedmont is at risk of overcollecting its wholesale gas costs in the near future if the benchmark cost of gas reflected in its rates is not decreased to \$4.00 per dekatherm as proposed herein. The relief requested herein will avoid such overcollection and will also ensure that the wholesale gas costs reflected in Piedmont's rates are reasonably consistent with the prevailing market price for natural gas, thereby avoiding the creation of artificial market signals/incentives to parties who utilize this commodity for fuel or process purposes. The rate changes proposed herein are a decrease of \$0.02544/therm for sales rate schedules (201, 202, 221, 232, 242, 252, 262, 203 and 204) and a decrease of \$0.00044/therm for transportation rate schedules (213 and 214).

Piedmont hereby requests approval of this GCRM filing in time to implement these rate changes effective with the first billing cycle in February 2014.

Charlotte, NC  
Research Triangle Park, NC  
Charleston, SC

Ms. Jocelyn G. Boyd  
January 16, 2014  
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If you have any questions regarding this matter, you may reach me at the number shown above.

Sincerely,

Moore & Van Allen, PLLC

s/ Scott M. Tyler  
Scott M. Tyler

Enclosures

c:     Mr. David Carpenter  
       Ms. Pia Powers  
       Mr. Jim Jeffries  
       Office of Regulatory Staff (via email and overnight delivery)

STATE OF NORTH CAROLINA  
COUNTY OF MECKLENBURG

VERIFICATION

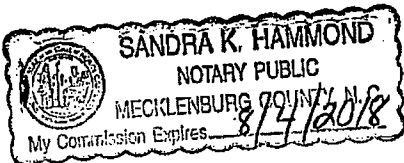
Pia Powers, being duly sworn, deposes and says that she is Director -  
Regulatory Affairs of Piedmont Natural Gas Company, Inc., that as such, she has read  
the foregoing documents and knows the contents thereof; that the same are true of her  
own knowledge except as to those matters stated on information and belief and as to  
those she believes them to be true.

Pia Powers  
Pia Powers

Mecklenburg County, North Carolina  
Signed and sworn to before me this day by Pia Powers

Date: 1/16/14 Sandra K. Hammond  
Sandra K. Hammond, Notary Public

(Official Seal) My commission expires: August 4, 2018



# **SCHEDULE A**

Piedmont Natural Gas Company, Inc.  
Purchase Gas Adjustment effective February 2014  
GCRM -138

South Carolina Rate Schedules:		Current January 2014 <u>Billing Rates</u>	Commodity Change	Proposed February 2014 <u>Billing Rates</u>
<b>201</b>	<b>Residential Service - Value</b>			
	Monthly Charge-winter	10.00		10.00
	Monthly Charge-summer	8.00		8.00
	Winter (Nov.-Mar.)	0.89076	(0.02544)	0.86532
	Summer (Apr.-Oct.)	0.84692	(0.02544)	0.82148
<b>221</b>	<b>Residential Service - Standard</b>			
	Monthly Charge-winter	10.00		10.00
	Monthly Charge-summer	8.00		8.00
	Winter (Nov.-Mar.)	1.02918	(0.02544)	1.00374
	Summer (Apr.-Oct.)	1.01996	(0.02544)	0.99452
<b>205</b>	<b>Outdoor Gas Light Service</b>			
	Monthly Charge	15.00		15.00
<b>202</b>	<b>Small General Service-Standard</b>			
	Monthly Charge	22.00		22.00
	Winter (Nov.-Mar.)	0.94797	(0.02544)	0.92253
	Summer (Apr.-Oct.)	0.92007	(0.02544)	0.89463
<b>232</b>	<b>Small General Service-Value</b>			
	Monthly Charge	22.00		22.00
	Winter (Nov.-Mar.)			
	First 2,000	0.90494	(0.02544)	0.87950
	Over 2,000	0.88480	(0.02544)	0.85936
	Summer (Apr.-Oct.)			
	First 2,000	0.83381	(0.02544)	0.80837
	Over 2,000	0.81501	(0.02544)	0.78957
<b>252</b>	<b>Medium General Service-Standard</b>			
	Monthly Charge	75.00		75.00
	Winter (Nov.-Mar.)	0.89755	(0.02544)	0.87211
	Summer (Apr.-Oct.)	0.86720	(0.02544)	0.84176
<b>262</b>	<b>Medium General Service-Value</b>			
	Monthly Charge	75.00		75.00
	Winter (Nov.-Mar.)			
	First 5,000	0.84806	(0.02544)	0.82262
	Over 5,000	0.82461	(0.02544)	0.79917
	Summer (Apr.-Oct.)			
	First 5,000	0.77929	(0.02544)	0.75385
	Over 5,000	0.76173	(0.02544)	0.73629
<b>242</b>	<b>Small General Service-Motor Fuel</b>			
	Monthly Charge	22.00		22.00
	Winter (Nov.-Mar.)	0.85142	(0.02544)	0.82598
	Summer (Apr.-Oct.)	0.91276	(0.02544)	0.88732
<b>203</b>	<b>Large General Sales Service</b>			
	Monthly Charge	250.00		250.00
	Billing Demand (therms)	1.79812		1.79812
	Winter (Nov.-Mar.)			
	First 15,000	0.71970	(0.02544)	0.69426
	Next 15,000	0.64488	(0.02544)	0.61944
	Next 75,000	0.62384	(0.02544)	0.59840
	Next 165,000	0.51641	(0.02544)	0.49097
	Next 330,000	0.46109	(0.02544)	0.43565
	Over 600,000	0.43252	(0.02544)	0.40708
	Summer (Apr.-Oct.)			
	First 15,000	0.61635	(0.02544)	0.59091
	Next 15,000	0.56516	(0.02544)	0.53972
	Next 75,000	0.57400	(0.02544)	0.54856
	Next 165,000	0.49784	(0.02544)	0.47240
	Next 330,000	0.45609	(0.02544)	0.43065
	Over 600,000	0.43252	(0.02544)	0.40708

Piedmont Natural Gas Company, Inc.  
Purchase Gas Adjustment effective February 2014  
GCRM -138

South Carolina  
Rate Schedules:

	Current January 2014 <u>Billing Rates</u>	Commodity Change	Proposed February 2014 <u>Billing Rates</u>
<b>204 Interruptible Sales Service</b>			
Monthly Charge	250.00		250.00
Winter (Nov.-Mar.)			
First 15,000	0.84238	(0.02544)	0.81694
Next 15,000	0.77761	(0.02544)	0.75217
Next 75,000	0.71936	(0.02544)	0.69392
Next 165,000	0.68340	(0.02544)	0.65796
Next 330,000	0.58968	(0.02544)	0.56424
Over 600,000	0.47252	(0.02544)	0.44708
Summer (Apr.-Oct.)			
First 15,000	0.64450	(0.02544)	0.61906
Next 15,000	0.59405	(0.02544)	0.56861
Next 75,000	0.57032	(0.02544)	0.54488
Next 165,000	0.53833	(0.02544)	0.51289
Next 330,000	0.49242	(0.02544)	0.46698
Over 600,000	0.44252	(0.02544)	0.41708
<b>213 Large General Transportation Service</b>			
Monthly Charge	250.00		250.00
Standby Demand	1.20161		1.20161
Billing Demand (therms)	0.59651		0.59651
Winter (Nov.-Mar.)			
First 15,000	0.25148	(0.00044)	0.25104
Next 15,000	0.18397	(0.00044)	0.18353
Next 75,000	0.13776	(0.00044)	0.13732
Next 165,000	0.09135	(0.00044)	0.09091
Next 330,000	0.03634	(0.00044)	0.03590
Over 600,000	0.00752	(0.00044)	0.00708
Summer (Apr.-Oct.)			
First 15,000	0.18299	(0.00044)	0.18255
Next 15,000	0.13415	(0.00044)	0.13371
Next 75,000	0.10846	(0.00044)	0.10802
Next 165,000	0.07581	(0.00044)	0.07537
Next 330,000	0.03109	(0.00044)	0.03065
Over 600,000	0.00752	(0.00044)	0.00708
<b>214 Interruptible Transportation Service</b>			
Monthly Charge	250.00		250.00
Winter (Nov.-Mar.)			
First 15,000	0.25043	(0.00044)	0.24999
Next 15,000	0.18254	(0.00044)	0.18210
Next 75,000	0.13316	(0.00044)	0.13272
Next 165,000	0.08437	(0.00044)	0.08393
Next 330,000	0.03750	(0.00044)	0.03706
Over 600,000	0.00752	(0.00044)	0.00708
Summer (Apr.-Oct.)			
First 15,000	0.18188	(0.00044)	0.18144
Next 15,000	0.13126	(0.00044)	0.13082
Next 75,000	0.09946	(0.00044)	0.09902
Next 165,000	0.07591	(0.00044)	0.07547
Next 330,000	0.05125	(0.00044)	0.05081
Over 600,000	0.00752	(0.00044)	0.00708

# **SCHEDULE B**

Piedmont Natural Gas Company, Inc.  
South Carolina  
Commodity Cost of Gas Calculation  
GCRM - 138

	<u>Annualized Throughput (DT) per Docket 2013-7-G Settlement Approved on 10/15/2013, Order No. 2013-750</u>	<u>Proposed Commodity Rate per (DT)</u>	<u>Total</u>
Sales	13,263,699	\$ 4.00	\$ 53,054,796
Transportation	4,793,495		
Total Throughput	18,057,194		
LAUF %	1.77%		
Company Use & Lost And Unacct For	319,612	\$ 4.00	\$ 1,278,448
Total Throughput			18,057,194
Calculated Rate - LAUF			0.0708
Proposed Sales Commodity Rate per DT		\$	4.07080
Proposed Sales Commodity Rate per Therm		\$	0.40708
Current Sales Commodity Rate per Therm		\$	0.43252
Adjustment to Sales Commodity Rate		\$	(0.02544)
Proposed Transportation Commodity Rate per DT		\$	0.07080
Proposed Transportation Commodity Rate per Therm		\$	0.00708
Current Transportation Commodity Rate per Therm		\$	0.00752
Adjustment to Transportation Commodity Rate		\$	(0.00044)
Current Benchmark		\$	4.25
Proposed Benchmark		\$	4.00



# **RATES AND CHARGES**

**SOUTH CAROLINA RATES AND CHARGES**

**Residential**

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**Residential Service - Value Rate 201**

Monthly Charge		Rate Per Therm	
November - March	\$ 10.00	November - March	\$ 0.86532
April - October	\$ 8.00	April - October	\$ 0.82148

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**Residential Service - Standard Rate 221**

Monthly Charge		Rate Per Therm	
November - March	\$ 10.00	November - March	\$ 1.00374
April - October	\$ 8.00	April - October	\$ 0.99452

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**Outdoor Gaslight Service - Rate 205**

Monthly Charge	\$ 15.00
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## SOUTH CAROLINA RATES AND CHARGES

## Commercial

**Small General Service - Standard Rate 202**

Monthly Charge	\$ 22.00	Rate Per Therm	
		November - March	\$ 0.92253
		April - October	\$ 0.89463

**Small General Service - Value Rate 232**

Monthly Charge	\$ 22.00	Rate Per Therm	
		November - March	First 2,000 \$ 0.87950
			Over 2,000 \$ 0.85936
		April - October	First 2,000 \$ 0.80837
			Over 2,000 \$ 0.78957

**Medium General Service - Standard Rate 252**

Monthly Charge	\$ 75.00	Rate Per Therm	
		November - March	\$ 0.87211
		April - October	\$ 0.84176

**Medium General Service - Value Rate 262**

Monthly Charge	\$ 75.00	Rate Per Therm	
		November - March	First 5,000 \$ 0.82262
			Over 5,000 \$ 0.79917
		April - October	First 5,000 \$ 0.75385
			Over 5,000 \$ 0.73629

**Small General Service - Motor Fuel Rate 242**

Monthly Charge *	\$ 22.00	Rate Per Therm		Rate Per GGE **
		November - March	\$ 0.82598	1.04073 **
		April - October	\$ 0.88732	1.11802 **

\* The Monthly Charge for Rate 242 is not applicable to gas service provided at the Company's Premises.

\*\* The Company may bill in units of Gasoline Gallon Equivalent ("GGE") for gas service provided at the Company's Premises under Rate 242. The rates above convert 1.26 Therms to 1 GGE.

## SOUTH CAROLINA RATES AND CHARGES

## Industrial

**Large General Sales Service - Rate 203**

Monthly Charge				\$	250.00	
Demand Charge (monthly per peak day therm usage)				\$	1.79812	
Rate Per Therm						
	<u>November - March</u>			<u>April - October</u>		
First 15,000	\$	0.69426		First 15,000	\$	0.59091
Next 15,000	\$	0.61944		Next 15,000	\$	0.53972
Next 75,000	\$	0.59840		Next 75,000	\$	0.54856
Next 165,000	\$	0.49097		Next 165,000	\$	0.47240
Next 330,000	\$	0.43565		Next 330,000	\$	0.43065
Over 600,000	\$	0.40708		Over 600,000	\$	0.40708

**Interruptible Sales Service - Rate 204**

Monthly Charge				\$	250.00	
Rate Per Therm						
	<u>November - March</u>			<u>April - October</u>		
First 15,000	\$	0.81694		First 15,000	\$	0.61906
Next 15,000	\$	0.75217		Next 15,000	\$	0.56861
Next 75,000	\$	0.69392		Next 75,000	\$	0.54488
Next 165,000	\$	0.65796		Next 165,000	\$	0.51289
Next 330,000	\$	0.56424		Next 330,000	\$	0.46698
Over 600,000	\$	0.44708		Over 600,000	\$	0.41708

**Large General Transportation Service - Rate 213**

Monthly Charge				\$	250.00	
Demand Charge (monthly per peak day therm usage)				\$	0.59651	
Standby Sales Service Charge (monthly per peak day therm usage)				\$	1.20161	
Rate Per Therm						
	November - March			April - October		
First 15,000	\$	0.25104		First 15,000	\$	0.18255
Next 15,000	\$	0.18353		Next 15,000	\$	0.13371
Next 75,000	\$	0.13732		Next 75,000	\$	0.10802
Next 165,000	\$	0.09091		Next 165,000	\$	0.07537
Next 330,000	\$	0.03590		Next 330,000	\$	0.03065
Over 600,000	\$	0.00708		Over 600,000	\$	0.00708

**Interruptible Transportation Service - Rate 214**

Monthly Charge				\$	250.00	
Rate Per Therm						
	November - March			April - October		
First 15,000	\$	0.24999		First 15,000	\$	0.18144
Next 15,000	\$	0.18210		Next 15,000	\$	0.13082
Next 75,000	\$	0.13272		Next 75,000	\$	0.09902
Next 165,000	\$	0.08393		Next 165,000	\$	0.07547
Next 330,000	\$	0.03706		Next 330,000	\$	0.05081
Over 600,000	\$	0.00708		Over 600,000	\$	0.00708

## SOUTH CAROLINA RATES AND CHARGES

## Miscellaneous Fees And Charges

Schedule For Limiting And Curtailing Service - Rate 206

Emergency Service Rate Per Therm	\$ 1.00	In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service.
Unauthorized Over Run Penalty Per Therm	\$ 2.50	In addition to commodity prices as defined in Rate Schedule 206, Rate For Emergency Service.

Reconnect Fees

February Through August	\$ 40.00
September Through January	\$ 60.00

Returned Check Charge

Returned Check Charge	\$ 25.00
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Governmental Taxes and Fees

Customers shall also pay all applicable taxes, fees and assessments levied by governmental authorities having jurisdiction.

Issued by Thomas E. Skains, Chairman, President and CEO  
Issued to comply with the authority granted by  
The Public Service Commission of South Carolina  
Docket No. 2006-401-G, GCRM - 138

Issued: January 16, 2014  
Effective: February 2014

## **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that copies of the attached documents are being served this date via email and UPS Overnight (1 copy) upon:

John W. Flitter  
Florence P. Belser  
Nanette Edwards  
Office of Regulatory Staff  
1401 Main Street  
Suite 900  
Columbia, South Carolina 29201  
jflitter@regstaff.sc.gov  
fbelser@regstaff.sc.gov  
nsedwar@regstaff.sc.gov

And that copies of the attached documents are being served this date via email and U.S. Mail upon:

David Carpenter  
Vice President – Planning and Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
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Pia Powers  
Director - Regulatory Affairs  
Piedmont Natural Gas Company, Inc.  
P.O. Box 33068  
Charlotte, North Carolina 28233  
pia.powers@piedmontng.com

This the 16th day of January, 2014.

s/ Scott M. Tyler  
Scott M. Tyler